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C O N F I D E N T I A L SECTION 01 OF 02 BAKU 000245

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TAGS: [ENRG](#) [PREL](#) [PGOV](#) [AJ](#)

SUBJECT: AZERBAIJAN: SOCAR VP SAYS HE IS NOT NECESSARILY  
LOOKING TO REASSURE EUROPE RE GAS AVAILABILITY

REF: A. A) ATHENS 364

[1](#)B. B) BUDAPEST 245

Classified By: Ambassador Anne E. Derse, Reasons 1.4 (b,d)

[1](#)1. (C) SUMMARY: According to SOCAR VP Elshad Nassirov, his presentation at the February 13-14 IEA Caspian Energy Conference in Paris was designed not to reassure potential European gas customers but rather to disabuse them of the notion that Azerbaijani gas alone could fill their pipelines.

His preferred message for these customers is that Europe, the US and Azerbaijan need to focus on building a Trans-Caspian pipeline as quickly as possible to transport Kazakh and/or Turkmen gas westwards. However, when asked what the official GOAJ position is, Nassirov said that it was that Azerbaijan has enough gas for from one to one and one half pipelines. He said that the GOAJ would likely approve of the idea proposed by DAS Bryza at the Paris conference that a joint working group be formed to work on issues relating to Kazakh and Turkmen gas, and said that SOCAR is ready to host a session of this working group in the near future in Baku. It is clear that there is daylight, or at least a difference in emphasis, between Nassirov's personal views and the official GOAJ policy on the availability of Azerbaijani gas o/a 2012. The Ambassador will explore with President Aliyev in an upcoming meeting the exact message that the GOAJ wishes to send to the international community concerning the availability of Azerbaijani gas. END SUMMARY.

[1](#)2. (C) In a February 26 conversation with EnergyOff, SOCAR Vice-President Elshad Nassirov said that his impression of the February 13-14 IEA Caspian Energy conference, which he had attended on behalf of the GOAJ, was positive. He said that he thought that he had been successful in his goal, which was to convince European customers such as DEPA, Edison, OMV and others that it was essential that another source of gas, either Kazakh or Turkmen, be found for European customers, since Azerbaijani gas in and of itself could not meet the projected demand. As such, Nassirov explained that in his opinion the GOAJ did not want to "reassure European customers" at the upcoming February 27-28 Athens Economist Energy Conference about the availability of Azerbaijani gas starting o/a 2012. He said that there could not be enough Azerbaijani gas for two pipelines, saying that Nabucco would need 30 bcm/a and TGI 11 or 12 bcm/a (EnergyOff repeated OMV's contention that the GOAJ need only supply approximately 10 bcm/a to Nabucco to enable the project to commence).

[1](#)3. (C) Nassirov said that "the Russians are not stupid" and that as soon as it becomes clear that there is a possibility

of a Trans-Caspian pipeline from either Kazakhstan or Turkmenistan, the Russians, faced with the prospect of losing this gas, will simply pay the source country in question "a fair market price" in order to kill the pipeline. He also said that if either of these countries finds a "customer with money" in South East Asia, the Trans-Caspian Project would also be doomed to failure. As such, Nassirov felt that if the GOAJ "makes promises" to Europe concerning Azerbaijani gas, "we will lose Kazakhstan and Turkmenistan." Rather, he thinks it far wiser to seek to convince European customers that there is not enough Azerbaijani gas for both two pipelines, so that Europe, Azerbaijan and the US can work together on getting a Trans-Caspian pipeline built as quickly as possible.

14. (C) EnergyOff asked whether his opinions on the unavailability of sufficient Azerbaijani gas o/a 2012 were his opinions or official GOAJ policy. He said the former, adding that official GOAJ policy was that Azerbaijan would have enough gas for one to one and one half pipelines o/a 2012. He added however that he thought that A/S Sullivan and DAS Bryza in Paris approved of his opinions re the need to mobilize forces as quickly as possible to get Kazakh and/or Turkmen gas westwards.

15. (C) In response to EnergyOff's question, Nassirov said that Murat Heydarov, Advisor to the President at SOCAR, would be attending the conference on behalf of the GOAJ, accompanied by the GOAJ Ambassador to Greece. He said that Heydarov would be provided with the appropriate points to make at the conference (COMMENT: When later informed that Presidential Energy Advisor Ali Asadov had told the Ambassador that he, Nassirov, was going to Athens, Nassirov said that he had been slated to go to Bangkok on February 27,

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but he would check again to see where he was being sent. END COMMENT).

16. (C) Nassirov said he approved of the idea, floated by DAS Bryza in Paris, of a working group for getting Kazakh and Turkmen gas transiting westwards to Europe through Azerbaijan. This working group would have representation from the GOAJ, IEA, USG (State Department), OMV, Depa, Edison, Statoil and BP, among others. He said that it was likely that GOAJ/SOCAR would be ready to host a working group session in Baku in the near future.

17. (C) COMMENT: Many thought that ambient European uncertainty and anxiety about the ability of Azerbaijan to deliver enough gas to fill pipelines starting o/a 2012 (see reftels) was primarily due to the GOAJ's inability to adequately "tell their story." However, it seems that at least part of this anxiety might well be due to Nassirov's unwillingness to alleviate such anxiety, given his belief that in so doing he will be weakening the prospects of a successful Trans-Caspian Gas pipeline. Nassirov is the GOAJ's spokesman of choice for regional and international energy fora, and as such his pronouncements tend to have an impact. It is clear that there is daylight, or at least a difference in emphasis, between Nassirov's personal views and the official GOAJ policy on the availability of Azerbaijani gas o/a 2012. The Ambassador will explore with President Aliyev in an upcoming meeting the exact message that the GOAJ wishes to send to the international community concerning the availability of Azerbaijani gas. END COMMENT.

DERSE